

FISCAL NOTE

SB 1903 - HB 2222

April 1, 2005

SUMMARY OF BILL: Requires hospitals to develop two programs of payment allowances for qualified self-pay patients. One program would include qualified self-pay patients who are eligible based on family income for discounts determined by each facility. The other program would include patients with household incomes up to 300% of the federal poverty guidelines and includes a discount that restricts charges to no more than 120 percent of the applicable Medicare rates and a description of the methodologies developed by the hospital. This bill prohibits hospitals from foreclosing on homestead property that is owned by a qualified self-pay patient and from seeking a court order to force payment of hospital bills for medical services provided to qualified self-pay patients.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Could lead to an increase in hospital rates to cover the loss of revenues from the discounted prices offered to self-pay patients which could result in an increase in expenditures for the state and local govt. health insurance plans and an increase to the TennCare program MCOs reimbursement to hospitals.

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Any increase in hospital rates will result in an increase in health insurance premiums which cannot be determined.

Assumptions:

- Many of the individuals who would be qualified to participate in this program are not paying full charges at present, if any payment for services is made at all.
- This bill does not require a payment plan for services not covered by Medicare, Medicaid, or worker's comp.
- Patients that do not provide income information or own assets exceeding 50% of the billed charges are not eligible.
- Most hospitals currently refer individuals with no insurance to the Department of Human Services to file an application for Medicaid/TennCare benefits.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director